

Welcome

There are five LSC area offices in the West Midlands. These cover the following sub-regions:

- Birmingham and Solihull
- The Black Country
- Coventry and Warwickshire
- Herefordshire, Worcestershire and Shropshire
- Staffordshire

The LSC is committed to the improvement of the wider further education sector, to raise standards and to make learning provision more responsive to the needs of individuals and employers. To do this we assess and utilise market intelligence at area level to target resources to bring about change. The research team in the West Midlands has produced this information pack to support colleagues, stakeholders and providers in their strategic and operational planning, to help meet the challenges of a demand led system.

A more detailed analysis of the issues presented can be found in the West Midlands Strategic Analysis at www.lsc.gov.uk/westmidlands

Market Analysis

The Structure of the Regional Economy

Whilst many of the West Midland's key manufacturing industries have continued to decline, a range of service industries are expanding significantly and are becoming key sources of wealth creation for the region. These include both private sector services such as business and professional services, retail and hotels and catering and public sector activities such as health and social care and recreational and cultural services.

Forecasts suggest that there is potential for significant additional demand for labour and skills in the West Midlands over the next decade. Overall close to a million job opportunities could potentially be on offer, with 90,000 of these being new jobs created by the expansion of the economy.

The Demand for Skills and Qualifications

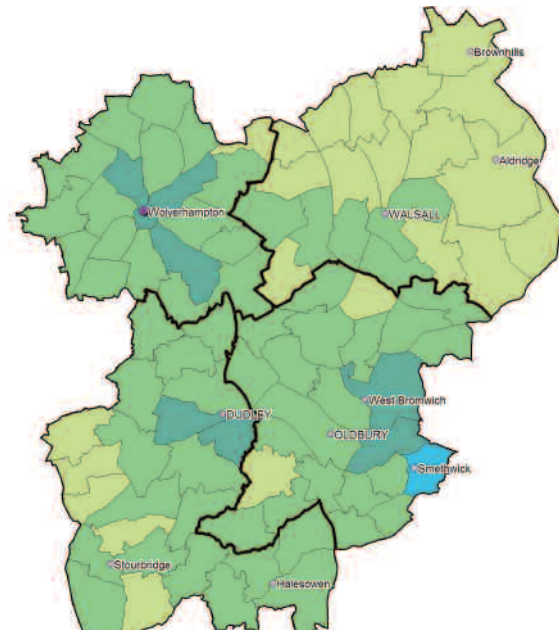
The shifts in sectoral and occupational employment will impact on the skills and qualifications needed by employers and individuals. Ten years from now there will be fewer employment opportunities for people with no or few skills, whereas there will be more opportunities for those with higher level skills.

Demographic Changes and the Supply of Skills

The regional population is expected to grow by 211,000 by 2018, at a rate of 4% slightly slower than the England average. Most of this growth will be in the 65 and over age group. The working age population (16-65) will grow by just 46,000 (1%). When we link this to the expected employment growth it is apparent that some employers will have difficulties meeting their recruitment needs and will have to become more effective in exploiting growing groups of potential labour supply such as minority ethnic groups and older people.

% of adults (19+) FE Learners 2005/06 ILR and 2001 Census base (rolled forward)

- 19.5 to 24.2
- 14.9 to 19.5
- 10.3 to 14.9
- 5.7 to 10.3
- 1.1 to 5.7

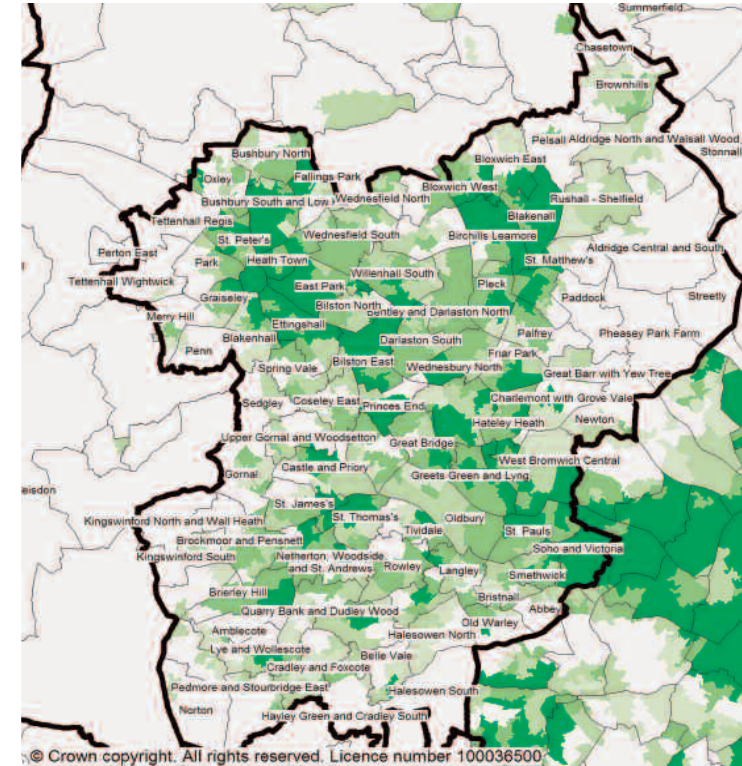


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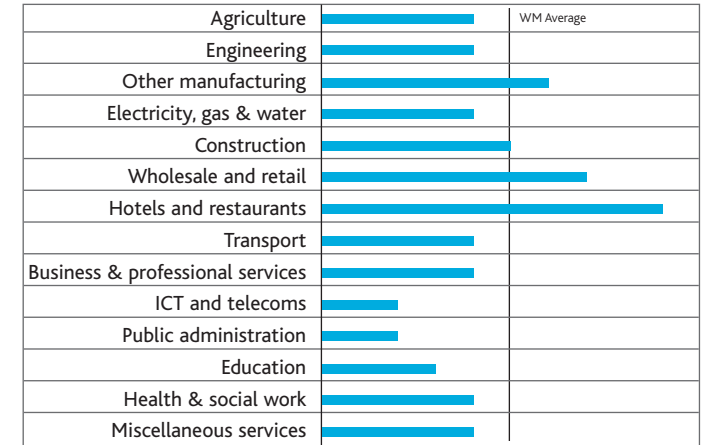
IMD 2004 - Overall Deprivation National Comparison (Percentile)

- Within 10% most deprived
- Next 10.1% to 20%
- 20.1% to 30%
- 30.1% to 40%
- Other Areas



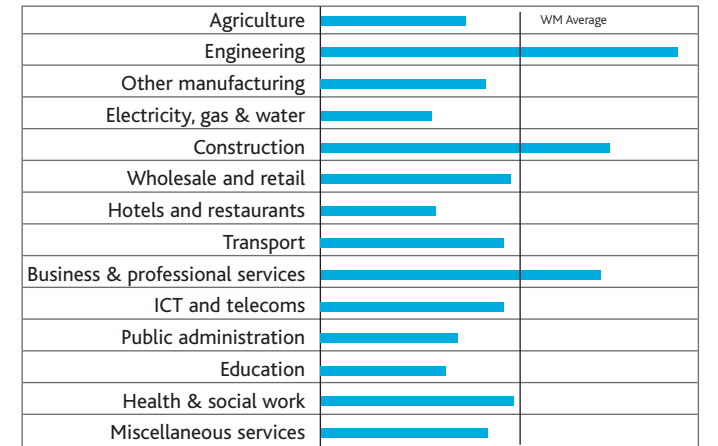
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West Midlands Skill gaps by sector (as a % of employment)



Source: NESS 2005

West Midlands Skill gaps by sector (as a % of vacancies)



Source: NESS 2005

Economic and labour market

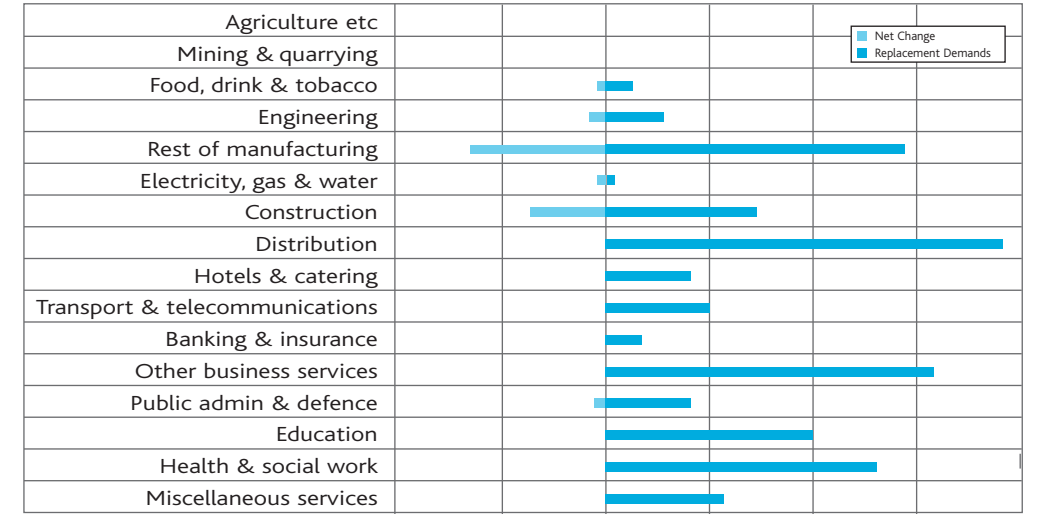
The economic base of the Black Country LSC area has undergone significant change over the last decade and now has a more diverse employment structure with well over 50% of those employed, are in public administration, education and health and distribution, hotels and restaurants. There is still significant reliance on manufacturing for employment in the local area, overall 19% of all employees work in engineering and manufacturing, compared with 16% in the West Midlands and 11% in England.

The future economy growth trends strongly indicate that the switch to a more diverse and highly skilled labour market is expected to continue. Forecast changes in employment indicate that the highest growth will be in wholesale and retail, followed by other business services. However, because of replacement demand, even in manufacturing there is a projected need for 13,700 new employees in

the Black Country by 2014. Changes in sector growth are expected to be coupled with a change in the character of employment within those sectors. In manufacturing for example, the projection is for more emphasis on design skills, on high technology, and on niche markets. Across the board, there are projections of growth in managerial, technical and professional occupations. Over 30,000 new jobs were projected (2004-2014) to be created in management professions and a further 45,000 new jobs in professional and technical occupations.

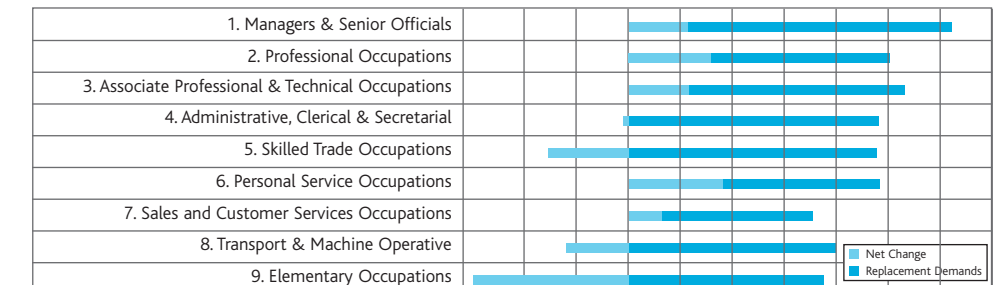
Skills gaps are a significant problem, as are recruitment and skills shortages. The main sectors affected by skills gaps are hotel and catering, together with wholesale and retail. Skills shortages are the most common cause of recruitment difficulties. The National Employer Skills Survey 2005 cited 7% of employers as having hard to fill vacancies and another 4% with skill shortage vacancies in the local area.

Employment Change 2004-2014 (000s), Black Country



Source: Working Futures II

Employment Change 2004-2014 (000s), Black Country



Source: Working Futures II

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Work Based Learning - Success Rate

		Young People %			Adult %		
		Black Country	Region %	National %	Black Country	Region %	National %
Advanced App.	2004-2005	37.2	41.8	41.4	33.2	34.5	34.2
	2005-2006	59.9	57.5	56.3	51.1	50.4	50.3
	2006-2007 Period 7	62.0	58.0	58.8	53.5	59.4	58.2
Apprenticeship	2004-2005	38.3	42.5	40.9	41.8	37.8	39.9
	2005-2006	51.9	54.3	53.9	50.6	51.9	52.8
	2006-2007 Period 7	58.9	60.3	58.1	58.7	62.8	61.5
Overall	2004-2005	38.1	42.4	41.1	38.6	37.8	37.7
	2005-2006	52.7	54.8	54.4	50.8	51.3	51.8
	2006-2007 Period 7	59.3	59.9	58.2	56.7	61.5	60.3

Source: Individualised Learner Record

Centres of Vocational Excellence within Black Country LSC (2007)

Lead Provider	Partners	Title of CoVE
City of Wolverhampton College		Creative Industries (Media, Journalism & Music Production)
Halesowen College		Professional Accountancy Support Services (PASS)
Stourbridge College		Built Environment
Walsall College	City of Wolverhampton College	Healthcare

Source: Learning and Skills Council (2007)

Levels of pay and levels of skills

The relatively low skills levels in the local workforce are a factor in wage rates that are typically lower than other parts of the region. Annual gross mean pay in the Black Country in 2006 is £5,885 pa less than in England as a whole. Rates of pay also vary between the

boroughs with over a £1000 pa difference between the highest and the lowest.

also, whilst 22% of the economically active are qualified to level 4 or above, compared with 26% regionally and 30% nationally. Similarly, the proportion of the economically active holding no qualifications is, higher in the Black Country than for the West Midlands and England.

For the West Midlands region there are proportionately fewer people who are economically active with the highest, level qualifications (level 4 and level 5) than for England. This is reflected in the Black Country LSC area

Not in education Training or employment (NEET) - Black Country (Nov - Jan averages)

Area	2006			2005		
	16-18 % NEET (Ave)	Ave 16-18 % Not Known (Ave)	16-18 % In Learning (Ave)	16-18 % NEET (Ave)	16-18 % Not Known (Ave)	16-18 % In Learning (Ave)
Dudley	6.4	3.8	82.4	8.4	6.5	74.3
Sandwell	15.6	8.9	64.9	10.6	8.8	68.1
Walsall	9.1	6.9	76.8	10.3	9.8	70.3
Wolverhampton	10.8	6.3	76.6	11.4	8.0	72.0
The Black Country	9.8	6.1	76.4	10.1	8.2	71.3
West Midlands	8.9	4.5	75.7	9.6	9.6	71.5
England	7.7	5.0	75.3	8.2	6.4	74.4

Source: Connexions (2007)

Higher Education Entrants (18-20 year old) - 2005/06

Area	Full Time Entrants			Part Time Entrants		
	1999/2000	2005/06	Difference	1999/2000	2005/06	Difference
The Black Country	3,730	4,495	765	180	145	-35
Dudley	1,055	1,190	135	50	40	-10
Sandwell	8,10	1,035	225	45	30	-15
Walsall	8,90	1,070	180	35	45	10
Wolverhampton	9,75	1,200	225	50	30	-20
West Midlands	21,015	24,540	3,525	910	710	-200
England	19,8970	23,5160	36,190	6,345	7,085	740

Source: DFES (2007)

Gross annual earning (2006)

Area	Annual pay
Dudley	£19,899
Sandwell	£18,778
Walsall	£19,037
Wolverhampton	£18,779
Black Country	£19,123
West Midlands	£22,047
England	£25,008

Source: Annual survey of hours and earnings (Nomis - 2007)

FE Achievement - Overall

	Area	Young People %		Adult %	
		2004/05	2005/06	2004/05	2005/06
Retention Rate	Black Country	84.4	86.2	82.8	84.0
Achievement Rate		82.5	85.9	85.0	88.2
Success Rate	Black Country	69.6	74.0	70.4	74.1
	Region	71.8	73.4	76.1	77.2
	National	72.0	74.5	74.9	75.7

Source: Individual Learner Record

Economically Active Qualification Levels (2005)

Area	Level 4+	Level 3+	Level 2+	Level 1+	No qualifications
Dudley	23	41	70	89	11
Sandwell	21	38	61	82	18
Walsall	20	40	64	83	17
Wolverhampton	23	40	64	83	17
Black Country	22	40	65	85	17
West Midlands	26	45	68	88	12
England	30	49	71	90	10

Source: Annual Population Survey 2007

Proportion of young people reaching level 2 threshold

Local Authority	Aged 19 at the end of 2003/04 %	Aged 19 at the end of 2004/05 %	Aged 19 at the end of 2005/06 %	Percentage point change 2003/04 to 2005/06
Dudley	63	66	66	3
Sandwell	50	53	55	4
Walsall	56	59	60	4
Wolverhampton	58	61	63	6
West Midlands	64	67	70	6
England	66	69	71	5

Source: FFT matched administrative dataset 2005/06

GCSE/GNVQ Performance (2006)

Area	Percentage of pupils at the end of Key Stage 4 achieving at GCSE and equivalents:											
	5+A*-C grades			5+A*-C inc. English & mathematics			5+A*-G grades			Any passes		
	Boys	Girls	Total	Boys	Girls	Total	Boys	Girls	Total	Boys	Girls	Total
Dudley	51.3	60.7	55.8	40.0	46.3	43.0	90.7	94.6	92.6	97.7	98.8	98.2
Sandwell	44.1	50.8	47.3	27.2	32.6	29.7	82.5	88.1	85.1	95.2	97.0	96.1
Walsall	43.9	56.8	50.0	30.6	39.6	34.9	82.7	90.4	86.4	94.8	96.8	95.7
Wolverhampton	49.3	62.2	55.9	27.5	41.5	34.7	82.5	90.3	86.5	94.8	97.1	96.0
West Midlands	51.4	61.7	56.4	37.4	46.0	41.6	88.1	93.1	90.5	96.9	98.0	97.4
England	54.6	64.0	59.2	41.6	50.2	45.8	88.3	92.8	90.5	97.3	98.3	97.8

Source: DFES (2007)

Year 11 school leaver destination (2006)

Area	Post-16 Education %	Work-based Training (without employed status) %	Full Time Employment %	Not settled/ not active (inc Voluntary Work) %	Moved away / no response/ refused to provide information %
The Black Country	76	5	7	9	4
Dudley	77	5	7	8	3
Sandwell	73	6	8	10	4
Walsall	78	5	6	7	4
Wolverhampton	75	5	7	10	4

Source: Connexions (2007)

11-15 Pupil Cohorts within Black Country

Area	Age of Pupils as at 31st August 2005				
	11	12	13	14	15
Dudley	4,020	4,080	4,320	4,230	4,130
Sandwell	3,610	3,640	3,900	3,930	3,770
Walsall	3,750	3,880	4,080	3,920	3,830
Wolverhampton	3,020	3,020	3,140	3,220	3,160
West Midlands	69,620	69,830	73,140	74,190	72,430
England	632,900	634,410	657,940	662,470	650,300

Source: DFES (2007)

Work Based Learning starts in the Black Country (2006/07)

Sector Subject Area T1	Programme Type	
	Advanced Apprenticeship	Apprenticeship
Agriculture, Horticulture & Animal Care	#	6
Arts, Media & Publishing	0	#
Business, Administration & Law	256	626
Construction, Planning & the Built Environment	42	344
Education & Training	1	5
Engineering & Manufacturing Technologies	180	251
Health, Public Services & Care	197	265
Information & Communication Technology	11	53
Leisure, Travel & Tourism	25	51
Preparation for Life & Work	#	#
Retail & Commercial Enterprise	154	720
Science & Mathematics	#	#
Unknown	5	20
All Sectors	871	2,341

Source: Individualised Learner Record

Participation in Further Education by 16-18 year olds in the Black Country

Learners	2003/04		2004/05		2005/06	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
City of Wolverhampton College	1,658	1,700	1,985	1,400	2,148	824
College of Continuing Education in Walsall	#	118	#	122	#	78
Dudley College of Technology	2,215	951	2,179	938	2,106	780
Halesowen College	2,430	302	2,781	297	3,175	969
King Edward VI College, Stourbridge	1,344	#	1,354	#	1,373	#
Sandwell College	960	562	993	549	1,200	599
Sandwell Metropolitan Borough Council	#	79	#	85	#	#
Stourbridge College	1,701	443	1,374	397	1,435	410
Walsall College	2,196	957	2,541	789	2,514	753
Walsall Community College	#	466	#	467	#	352
Wolverhampton City Council	#	79	#	87	#	126

Source: Individualised Learner Record

Level 3 performance scores (2006)

Area	Average QCA point score by students achieving all Level 3 qualifications					
	Per candidate			Per entry		
	Male	Female	Total	Male	Femal	Total
Dudley	725.1	737.1	731.8	196.0	200.0	198.2
Sandwell	509.0	566.6	539.3	168.5	182.7	176.1
Walsall	672.1	669.6	670.6	196.2	195.9	196.1
Wolverhampton	508.6	626.7	577.4	175.9	195.0	187.5
West Midlands	679.6	725.7	704.9	191.4	201.9	197.2
England	718.8	753.8	737.7	201.0	209.5	205.6

Source: DFES (2007)

Proportion of young people reaching level 3 threshold

Local Authority Name	Aged 19 at the end of 2003/04 %	Aged 19 at the end of 2005/06 %	Aged 19 at the end of 2005/06 %	Percentage point change 2003/04 to 2005/06
Dudley	34	40	39	4
Sandwell	26	29	29	3
Walsall	33	35	33	0
Wolverhampton	35	38	38	4
West Midlands	39	43	44	5
England	42	46	47	5

(source: FFT matched administrative dataset 2005/06)